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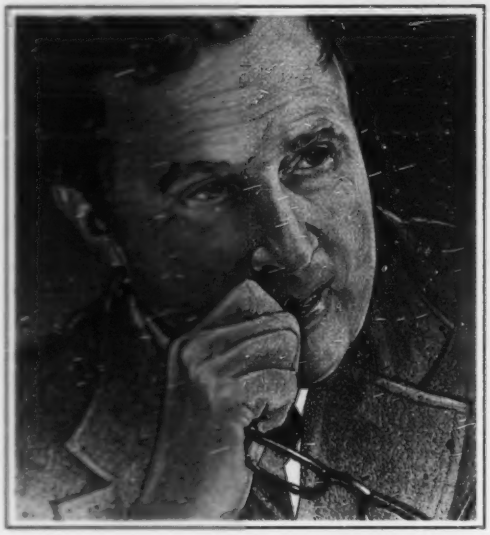
PRIVATE TRUCKING: TIME TO BACK OUT?



"I'm scared, if you want to be straight about it. I'm 52 years old and the fleet manager for a company that started up with private carriage in the '60s. But yesterday I found out they're thinking about cutting our private fleet operation

(page 10)

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ARE THE RAILROADS REALLY RIDING SO HIGH

TAX REFORM LOOMS LARGE FOR LEASING

COLLECTION AGENCIES KNOCK DOWN SHIPPERS' DOORS

VOL. 84, NO. 8

Chilton's
DISTRIBUTION

AUGUST 1985

ESTABLISHED 1901

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Some people can't live with it; others can't live without it. And the regulatory and economic changes of the '80s have made the dividing line between the two factions a topic for debate

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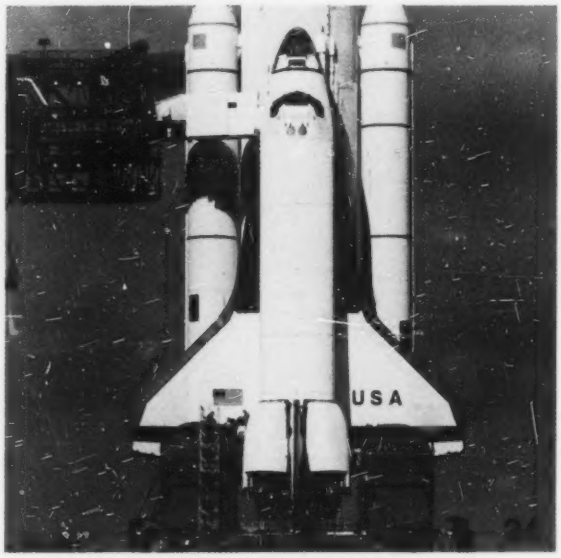

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carrier marketing awards

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Since our Dialogue card concerning the formation of the Trans-Pacific Westbound Rate Agreement appeared in the April issue, that controversial ratemaking pact has gone through many changes. An FMC decision on its legality is still pending, but shipper backlash to its proposed minimum rate levels has stalled, at least temporarily, the implementation of $1,000 minimums on 40-foot boxes to the Far East. Some export commodities have been exempted from the minimums because of shipper pressure, but when service contracts threatened to undermine the conference's stability, the TRWA outlawed them. No maritime issue of recent years has stirred as much bad blood between carriers and shippers as the TWRA. The responses we received to our Dialogue question are evidence of that:

"I consider this just another attempt to create a monopolistic environment, along with the formation of superconferences, which appear to be putting a gun to shippers' heads to force up rates. It's an unhealthy atmosphere."**—Jack Deckert, general traffic manager, W.A. Taylor & Co., Miami.**

"Assuming we're operating in a free-enterprise, commercial environment, why should the better-managed carriers be forced, in effect, to help the competition by having minimum rate levels? Let free enterprise prevail."**—R. D. Schwartz, manager, export order & shipping, Armstrong World Industries, Lancaster, Pa.**

"Basically, ocean carriers are trying to maneuver the market from a shippers' to a carriers' market. Success still hinges on services rendered."**—John Unger, traffic manager, Fuji Photo Film USA, Carlstadt, N.J.**

"If I can get the same deal for my business I would be happy to discuss it."**—J. H. Cassidy, president, John Cassidy & Sons, Inc., Miami.**

"Good luck—they'll never get our business."**—Unsigned.**

"Evaluate freight rates by volume of cargo worked by a shipper/customer, and establish tariff protection to maintain that business."**—R. A. Quadros, director, traffic, freight & claims, Pier 1 Imports, Fort Worth, Tex.**

"TWRA pricing, with no input from shippers, shows a total disregard of our needs and even less to our mentality."**—Walter Pickett, traffic manager, Southwest Hide Co., Boise, Id.**

"Minimum rate levels won't work as long as there are independents in the market. Also, the individual lines are not truly united and will break

continued

QUESTION OF THE MONTH:

HOW MUCH ARE YOU WORTH?

Salary surveys and other studies of career patterns seem to be in vogue right now. *DISTRIBUTION* has published the Cadillac of these studies—the Ohio State survey—for some time now (this November will make it 14 years). But recently, other publications and organizations have gotten into the act, and the resulting surveys have produced some wide discrepancies in the figures that have been assembled. Because the "average salaries" arrived at by such studies have ranged all over the lot, no one can be sure whether they're making way too much, or way too little.

In anticipation of our upcoming publication of the Ohio State report, we'd like to sample salaries once again. This time around, rather than telling us what your own salary is, we'd like to know what you *think* you're worth. How valid are the studies? Which ones, if any, are reliable? Are the "average" figures you've seen for distribution personnel too high or too low, based on what you know of your own worth and that of people you deal with? Where do you think the averages for various job titles *should* fall?

Use the card below to let us know what you're worth and whether you're getting what you deserve.

DIALOGUE August 1985

- I (use/do not use) industry salary studies when determining the compensation levels for the distribution personnel I manage.
- I (use/do not use) industry salary studies when negotiating my own salary.
- In general, I think the "avarage" salaries I've seen published for the distribution industry have been _____too high; _____too low; _____about right.
- I think my own salary is: _____above average; _____below average; _____average in comparison with others in the industry who perform the same functions I do.
- Based on my personal experience and my contact with others in the industry, here are my estimates of the current average salaries for the following industry job titles:

Rate analyst_____
Warehouse manager_____
Traffic manager_____
Private fleet manager_____
Inventory control/materials mgr._____
Distribution manager_____
VP-distribution/materials/logistics_____

Here's what I would like to see in a distribution salary survey:

_____

_____

_____

_____

_____

OPTIONAL:

_____

NAME (print) TITLE

COMPANY PHONE

ADDRESS

CITY STATE ZIP

FIGURES IN SPEECH

(Quotes from transportation and distribution notables that caught the ears of *DISTRIBUTION* Editors while covering the industry meeting and seminar circuit:)

"There is a misconception that railroads are some kind of public utility, not entitled to pursue a profit in the free marketplace. There is an impression that railroads get all kinds of government subsidies—while at the same time that railroads are 19th-century monoliths puffing and profiteering about the countryside. Railroads have been frozen in a kind of perception time warp, like a faded calendar picture of an old steam train. This image must be changed."**—Walter Drexel, president, Burlington Northern Railroad, to the National Association of Rail Shippers Advisory Boards, in San Francisco.**

•

"When you think of all the Japanese cars sold in California and when you realize that not a single one of them has entered this country in an American bottom, it's just indicative of poor 'national management.' We're fighting now to assure that this will never occur in the airline industry."**—Wayne Hoffman, chairman, Tiger International and Flying Tigers Line, at the Los Angeles Air Cargo Conference '85.**

ranks due to financial pressures or opportunistic greed. There is little honor in the ocean carrier industry."**—Paul Weber, physical distribution manager, AGFA Gevaert, Inc., Teterboro, N.J.**

"Better to ask 'Are conferences becoming overly powerful and hardheaded?' or 'Should the conference system be thoroughly investigated under antitrust?' "**—R. C. Tuttle, corporate consultant, Sandvik, Inc., Fairlawn, N.J.**

"While essentially justifiable, the TWRA has been very badly handled."**—Unsigned.**

"They should not be allowed to establish minimum rate levels because no two lines operate the same or have the same operating costs, ship registry, crew, etc."**—Frederick Steigmann, president, Int'l Sea Air Cargo Operators, Mountainside, N.J.**

"Competition is the cornerstone of every industry. With the high value of the dollar we need lower rates to compete."**—Ed Loftus, distribution/transportation manager, Ampex Corp., Opelika, Ala.**

"A small revenue to cover or reduce costs is much better than no revenue at all on a box that has to be returned overseas anyway. All the rest is wishful thinking on their part. They may understand marine shipping, but they don't understand exports. It is costly and disruptive for exporters to have to contend with a 'take it or leave it' attitude, especially from a 'superconference.' " **C. Emmanuel, distribution manager, Ogilvie Mills, Ltd., Montreal, Canada.**

OCEAN SHIPPERS' SOAPBOX

TWRA minimum rate levels are justifiable	22%
They're an attempt at monopolistic pricing	78%
If conference lines raise their rates I'll:	
Ship with independents	79%
Negotiate service contracts	36%
Stick with my carrier regardless	3%
Struggling U.S. carriers should be subsidized	29%
If they can't make it, let them sink	71%
Loyalty to a carrier is more important than a rate	21%
A lower rate is more important	79%
Favor the trend toward jumbo containerships	53%
Don't favor	9%
Shippers should be concerned for the financial health of a carrier	54%

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RAIL STRATEGIES

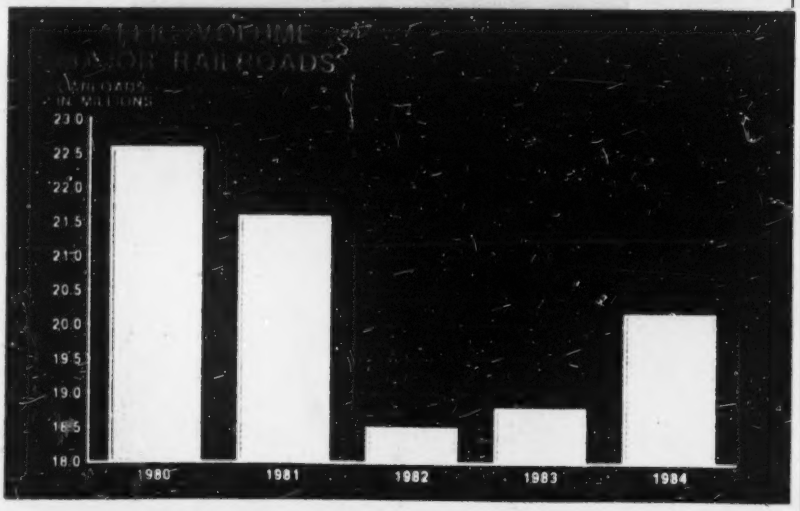
ONCE A FROG, ALWAYS A FROG?

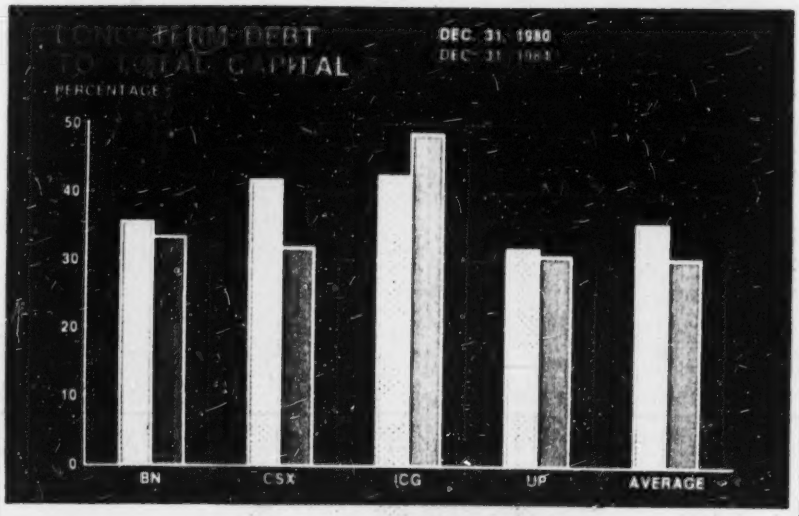
After four active years under the Staggers Act, are the railroads still sporting the same warts?

By Peter T. Bower

Editors' Note: The Interstate Commerce Commission report on railroad earnings which usually appears in our August issue was not complete at presstime. As soon as the ICC numbers become available, we'll pass them on to you. In the meantime, we present another analysis of the railroads' collective fortunes—or, in this author's estimation, their continued lack of fortune.

After a year in which the traditionally conservative Norfolk Southern simultaneously acquired a national van line, committed a devoloping a fiber-optic communications network, and appears to have outbid a variety of investors in the pursuit of Conrail, observers can be forgiven for assuming that the railroad business has become a home for dynamic venture capitalists. Cries for regulation from shippers claiming to be gouged by rail rate hikes strengthen the suspicion





ABOUT THE AUTHOR

Peter T. Bower is Vice President in the Washington office of Management Analysis Center, Inc. (MAC). MAC is an international general management consulting firm which specializes in helping companies manage strategic change. Much of its practice is in industries such as transportation and telecommunications, where deregulation, and new forms of competition are focing managers to rethink their strategy. A MAC report on the use of information technology in the freight transportation marketplace was featured in the September 1983 issue of DISTRIBUTION.

that railroads have been magically changed from frogs into money-machines.

Reality is more prosaic, however. In reflecting upon this apparent transformation of the railroads business, 1980 is a good place to start. Back then, the ICC had made it clear that it favored mergers as a way to maintain a national railroad system. The Burlington Northern (BN) had just acquired the St. Louis-San Francisco railroad, and the ICC had approved the merger of the Chessie System and Seaboard Coastline into the CSX.

Every railroad annual report talked of mergers. IC Industries announced it would "merge or sell" the Illinois Central Gulf (ICG) as soon as it could get advantageous terms; the Union Pacific (UP) vaunted the advantages of the single-system service it would obtain from its proposed acquisition of the Missouri Pacific and Western Pacific; the Santa Fe (SF) mourned its then-cancelled merger talks with the Southern Pacific (SP); and the Norfolk & Western and Southern railroads looked forward to their proposed merger. Mergers were going to make profitable railroads, everyone agreed.

The regulatory environment promised other freedoms, too. The Staggers Act of 1980 offered new pricing flexibility which both the Southern Pacific and the Norfolk and Western annual reports viewed as a means for the railroads to regain a share of the national freight transportation market. While not as explicit, the deregulation trend in transportation generally gave cause for hope that railroad acquisitions of trucking companies and water carriers would, in the future, meet with regulatory approval. The trade press talked of multimodal mega-carriers.

Finally, there were expectations of substantial diversification. The Southern Pacific emphasized "the importance of (SP's) diversification program," while the BN was to form a "holding company which will allow us to issue securities for non-transportation acquisitions."

In the table on page 74, the figures for 1980 show what some of the railroad holding companies looked like on the verge of the opportunities described above. Using earnings before interest and tax to calculate ROA (to avoid comparisons based on financial leverage and short-term tax advantages), the average railroad was producing just over a 10 percent return on assets.

1980 was a good year for the railroads. Originated tonnage was at an all-time high for Western and Southern railroads, thanks to strong coal demand and record grain exports. Industry net operating income was a record $1.4 billion. Traffic then fell off sharply in the next three years (see chart, page 70). Financial performance comparisons were almost impossible to make until 1984, which saw traffic levels similar to 1980's.

STIRRINGS SINCE STAGGERS

Railroad holding company acquisitions, diversifications, and divestitures, 1980-1984.

1980

BN—acquisiton of St. Louis-San Francisco RR approved

CSX—Chessie and Seaboard merger

DRG—sold amusement park business

1981

CSX—started CMX (intermodal trucking)

DRG—majority of trucking operations sold

NS—Norfolk & Western and Soutern merged; sold Delaware & Hudson; acquired 17.6 percent of Piedmont Airlines

1982

BN—sold BN Air; acquired eastern hardwood manufacturing capacity

CSX—sold Florida publishing company and cable TV company; sold fiber-optics right-of-way to MCI

1983

BN—acquired White Trucking; aquired El Paso (oil and gas pipeline)

CSX—acquired American Commercial Barge Lines; acquired Texas Gas (pipeline); entered into joint venture with Southern New England Telephone communications network

NS—acquired 5 percent of SF (now 2.5 percent of SFSP)

SFSP—Southern Pacific and Santa Fe merged; sold Southern Pacific Communications (Sprint); sold Ticor (title insurance)

UP—wrote off Corpus Christi refinery; sold Mississippi transmission

1984

BN—sold trucking operations; sold forestry capacity

CSX—arranged sale of Beckett Aviation

DRG—inconclusive merger discussions with UP and SFSP; sold Computer Sharing Services; acquired by Anschutz (privately owned energy firm)

NS—acquired North American Van Lines; joint venture with SFSP fiber-optics network; $75 million investment in Southeast Bank; offer made for Conrail

SFSP—sold most trucking operations; coal mines in operation

Jockeying for Position

Notwithstanding the tough operating conditions in 1981-1983, railroads set about making changes to position their companies for the new environment.

The list on page 71 highlights some of the principal merger, acquisition, and divestiture decisions of the holding companies in the period following the Staggers Act. The active business areas have been the core rail business, other transportation, energy, and telecommunications. Some favored strategies have emerged:

- merge with or acquire other railroads to broaden geographic coverage, offer single-system service, and achieve economies of scale through the elimination of redundant facilities;
- consolidate positions in the energy business through the acquisition of gas pipelines (BN, CSX);
- restructure trucking subsidiaries to divest unionized operations and unfocused LTL business, to focus on specialized service (e.g., automobiles), and to acquire motor carriers with a regional or national franchise;
- exit from opportunistic or "accidental" business unrelated to freight transportation or natural resources, except where there are clear natural advantages, by selling data processing/communications businesses (CSX, DRG, SP) or by maximizing the value of track networks by laying optical fiber (CSX, NS, UP, SFSP).

One can easily get the impression that substantial change has taken place. But now take a look at the lines for *1984* in the table on page 74. It seems that four years of hectic activity and pricing freedom have *not* improved returns for the railroads as a whole. The BN is the only holding company which has significantly improved its position, moving from near the bottom in 1980 ROA to a strong first in 1984. All of the others are producing lower returns than in 1980, except for the CSX, which has limped up to the industry average. But CSX is still below arch-rival NS.

The fact is, the railroads are *not* diversifying into entirely new

continued

business areas, and they are *not* building diversified transportation companies. So what are they doing to position themselves for the future? There are two apparent areas of management focus—"tightening up the ship," and building on existing energy assets.

Tightening Up the Ship

Railroading is a high fixed-cost business. An astonishing 42 percent of railroad operating expenses are for maintenance (of equipment, way, and structures), and roughly half of the 47 percent for "transportation" goes for only slightly variable expenses such as clerical employees, dispatching, switching, etc. As a result, railroad earnings are extremely sensitive to changes in traffic volume, as was demonstrated during the recession of 1982.

In that year, a tonnage decline of 12.7 percent translated into an operating income decline of 45.5 percent, in spite of some price increases and some layoffs and retirements amounting to 13 percent of railroad employees. The cyclicality of the business keeps the pressure on management to reduce costs to minimize the impact of such swings in tonnage. Labor costs, which consume about 45 percent of each dollar of railroad income, have been a primary target.

The use of contracts to reduce the variability of the business is another favored tactic. Contracts now account for over 30 percent of the major railroads revenues—34 percent for the CSX, 40 percent for the UP, and over 50 percent of the SFSP's 1984 rail revenues. For coal traffic, the figures are much higher—52 percent of the NS coal revenues and approximately 65 percent of the BN's 1984 coal revenues came from contract movements. Obviously, the stability has a price—contract rates are lower than the regular tariffs, and some railroads are feeling pressure on their yields.

Strengthening their financial position has been another area of focus. Asset writeoffs and depreciation have reduced the book value of non-productive assets. Fresh capital has enabled growth without excessive leverage.

Several companies have issued stock, four have split stock to attract more investors (SF, SP, UP and CSX), and all have taken care to avoid increasing debt as a result of acquisitions. The SFSP and UP repurchased stock when the market softened in 1984.

The result is the healthiest balance sheets the industry has seen for some time, which implies considerable future acquisition capacity if the right investment comes along.

Some of this capital strength may be illusory, though, as one of the reasons for it is the apparent short-term withholding of investment from the railroad during the recession, by companies such as the CSX, NS, and UP. This is a traditional railroad response to reduced traffic levels, but at some point the delayed investment will have to be made. It is worth noting that there is no evidence that the capital restraint disproportionately favored non-rail business.

Building on Energy

All of the railroads have increased the amount of management attention given to asset use. Even those which are not sitting on beds of coal have commercial or industrial development opportunities in many locations, or they can follow

continued

RAILROAD HOLDING COMPANY PROFITABILITY AND BUSINESS MIX, 1980—1984

	Year	ROA EBIT/ Avg. Assets	Railroad	Barge, Truck, Air	Coal, Oil, Gas, Uranium*	Forestry	Hotels, Real Estate, Construction	Data Processing, Telecom.
ATSF	1980	11.7	68	1	19	4	8	—
	1984							
BN	1980	8.7	82	9	4	4	1	—
	1984	12.8	48	•	49	3	—	—
CSX	1980	7.5	93	•	2	•	2	•
	1984	9.6	63	5	29	—	2	•
DRG	1980	12.0	82	11	—	—	•	6
	1984							
ICG	1980	9.1	24	—	•	—	•	—
	1984	9.0	24	—	—	—	—	—
NS	1980							
	1984	10.8	99	•	•	—	•	•
N&W	1980	14.6	98	—	•	•	•	—
	1984							
SFSP	1980							
	1984	7.7	74	1	11	4	10	—
Southern	1980	11.2	99	—	•	—	•	—
	1984							
SP	1980	5.9	84	5	3	1	2	5
	1984							
UP	1980	11.5	42	—	56	—	1	—
	1984	9.5	50	—	47	—	•	—
Average	1980	10.2	75					
	1984	9.9	60					

the CSX and NS example of using their right of way for optical fiber (or other) routing.

However, the areas of greatest appeal, particularly for western railroads, has been resource extraction. Many of the resources, such as lumber, coal, soda ash, and taconite, have a double attraction. in addition to being potential money makers in their own right, they are mostly rail-captive traffic. The UP, for example, has a mineral rights interest in about half the seven million tons of soda ash produced annually in Green River, Wyo. But it ships *all* the soda ash, which acocunts for over 5 percent of the UP's rail revenues.

The railroads have been particularly aggresive in building their energy resource base, which has been the object of their biggest acquisition thrust outside the core railroad business. The BN and CSX gas pipeline acquisitions are the most visible sign of this trend, but the SFSP has also made energy and minerals a priority, while the Anschutz purchase of Rio Grande Industries (the DRG) creates yet another mixed rail-energy group.

The energy focus may prove to be a mixed blessing. Like the railroad business, mining and pipeline transportation are extremely capital-intensive. Problems caused by the absolute amount of capital required, to the extent that mining output is to be transported by the railroad, are compounded by the fact that mine development and railroad investment requirements often come at the same time, as track work and additional spurs are required to handle the increased volume. Diversification into energy has other problems, too.

The railroads are already very dependent on "energy" business. Coal accounted for 38 percent of originated tons and 22 percent of rail revenues in 1983. The dependence is much higher for some railroads—33 percent of CSX's revenues, 34 percent of Norfolk Southern's, and 41 percent of BN's 1984 revenues. While much domestic coal moves on long-term utility contracts and is thus relatively stable (though somewhat seasonal) traffic, non-contract coal, particularly for export, is very unpredictable and quite cyclical, so the railroads lost both energy and transportation revenues in the downturns.

Some railroads argue that their energy businesses are countercyclical in that energy sales (particularly gas) are strongest in the winter, when rail revenues are down. There may be some truth to this for the period around the end of the year, but February and March, the peak gas months, are normally average months for the railroad industry.

Mega-Notings?

The other gleam in the railroads' eyes—the multimodal transportation company—is unlikely to improve earnings. As currently practiced/conceived by the railroads, its biggest flaw is that shippers' interest in multimodal offerings is for a better service/cost mix than most railroads offer.

As noted above, railroading is a high fixed-coast business where profits are extremely sensitive to volume. Many railroad executives fix their eyes on volume sensitivity while ignoring service constraints. Their idea of a multimodal business is one that takes traffic off the roads and puts it onto rail, if only for part of the haul; in practice it might be in the shippers' customer service or inventory interests to take traffic *off* the rails for part of the haul.

The market-share success of TOFC traffic is a Pyrrhic victory for many railroads. Much of the volume has simply replace boxcar traffic (at a higher cost), while the portion that represents gains from the interstates is often at rate that are barely compensatory and do not provide an adequate return to the railroad.

To date, the multimodal track record is not encouraging. The old railroad-owned trucking companies were consistent money losers before they were sold off, and the deregulated trucking environment remains highly competitive. Even the Canadian railroads—whose operations were until recently used as an example of the potential of multimodal service—have had problems, with the Canadian National "consolidating" operations in 1984 to reduce significant trucking losses.

The CSX's wholly-owned and marketed TOFC operation, the CMS (Chessie Motor Express), though widely publicized as a success story, still loads less TOFC/COFC traffic than Conrail or the SFSP, and its volume growth rate in the first three quarters of 1984 was only just above the industry average and below that achieved by the SFSP, the BN, the DRG, and other Western railroads which use agents to collect TOFC/COFC traffic.

Finally, the economics of rail/ocean "landbridge" transcontinental service continue to compare unfavorably with ocean freight service.

The most successful multimodal operations have proven to be those that are service-based, with a good understanding of shipper's options and price/service tradeoffs, and that display a willingness to lose rail traffic if other modes can handle all or part of a shipment more efficiently. These arc tough requirements for railroads holding company executives to focus on when they have the option of investing in pipelines or fiber-op-tic communication systems.

Out of Rabbits?

In summary, the railroads' future is neither as boundless nor as assured as it might appear. Railroads are still closely tied to cyclical coal and grain; their energy diversification does not diversity as much as it appears to, and in fact sets up a competitor for the capital the railroad has always needed. Finally, there is little evidence that multimodal freight will represent a new growth area.

The picture is not all grey—the railroads are both leaner and financially fitter than they have been for years, and they have taken advantage of real estate and communications assets to improve their earnings. But this review raises questions as to where *future* earnings growth will come from. Four years after Staggers, having taken advantage of mergers, pricing freedom, and diversification, the financial performance of the railroads looks pretty much as it did in 1980. The difference is that now there are fewer rabbits to pull out of the hat. ★

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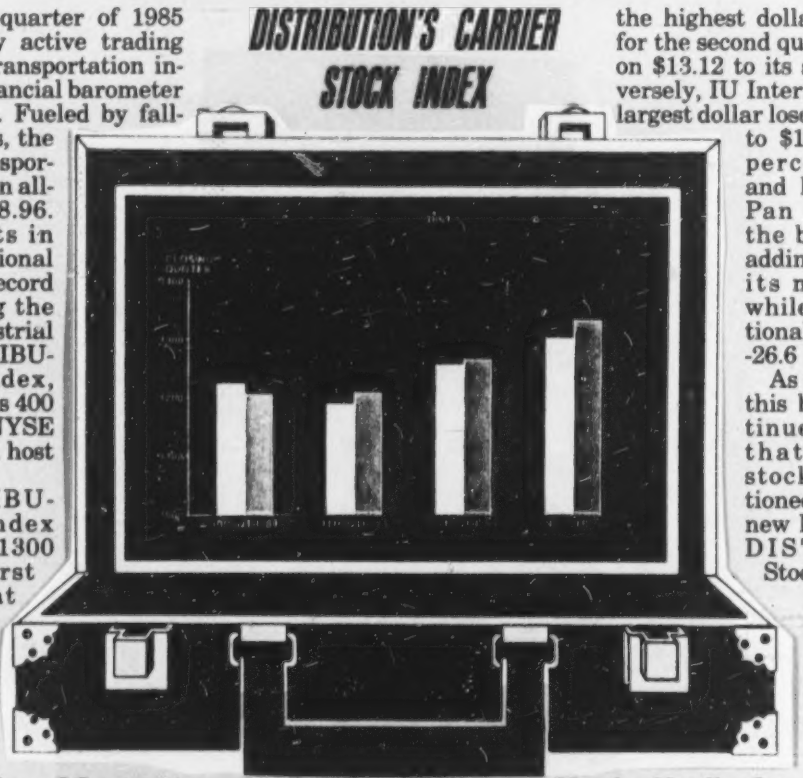
SECOND QUARTER

DISTRIBUTION'S CARRIER PORTFOLIO

Transportation carriers were at the head of the herd during the second quarter's bull run

The second quarter of 1985 was a very active trading session for the transportation industry, as our financial barometer clearly indicates. Fueled by falling interest rates, the Dow Jones Transportation Index hit an all-time high of 678.96. The Transports in turn led all national stock indices to record highs, including the Dow Jones Industrial Average, DISTRIBUTION Stock Index, Standard & Poor's 400 & 500 indices, NYSE Composite, and a host of others.



The DISTRIBUTION Stock Index broke into the 1300 level for the first time to close at 1303.82, up 45 points (3.6 percent). For the same period ending June 30th, the Dow Industrials climbed a hefty 70 points for a 5.5 percent jump. Of the 39 companies monitored in this feature, 25 ended the 90-day period higher in market value while 14 ended lower, with zero remaining unchanged. There were 15 stocks which set new 52-week highs, compared with just two stocks that set new lows.

As far as individual performances of companies were concerned, Burlington Northern took the highest dollar-gained honors for the second quarter, as it taked on $13.12 to its stock price. Conversely, IU International was the largest dollar loser, as it fell -$3.63 to $13.25. Under the percentage gained and lost department, Pan American was the biggest winner, adding 52.6 percent to its market value, while Tiger International decreased its by -26.6 percent.

As the second leg of this bull market continues, it is certain that the national stock indices mentioned above will set new highs, led by the DISTRIBUTION Stock Index and the Dow Transports.

This installment of Carrier Portfolio was prepared for DISTRIBUTION Magazine by Nordby International, Inc., Boulder, Colo.

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SECOND QUARTER

	Companies	Period Ending:	Current Ratio*	Long Term Debt/Equity	Net Income (millions)	Profit Margin (x100)	Return On Equity
AIRLINES	Continental	July.	1.90	100.00	29.16	3.7	N/A
		April	N/A	100.00	29.16	2.0	N/A
	Delta	July.	.65	33.57	157.57	4.7	16.7
		April	.67	36.00	175.57	4.0	17.7
	Eastern	July.	.90	100.00	-37.93	.3	N/A
		April	.88	95.31	-37.93	N/A	N/A
	Northwest	July.	.90	22.63	86.90	3.5	9.7
	Airlines	April	.79	10.07	86.90	3.0	9.7
	Pan American	July.	.81	92.21	-206.83	-7.9	N/A
		April	.95	80.06	-206.83	N/A	N/A
	Piedmont	July.	.83	53.43	58.18	4.7	17.3
	Aviation	April	1.08	54.97	58.18	4.0	17.3
	Republic	July.	1.00	99.16	13.71	2.4	159.3
	Airlines	April	.96	97.89	13.71	N/A	N/A
	Transamerica	July.	N/A	65.78	171.57	1.9	8.1
		April	N/A	66.29	171.57	3.0	4.1
	United Airlines	July.	.75	37.05	260.90	3.4	15.9
		April	.73	37.57	260.90	3.0	14.7
	USAir Group	July.	1.40	32.66	121.63	6.8	16.5
		April	1.68	34.00	121.63	7.0	16.5
	Western	July.	.62	100.00	-29.17	.6	N/A
	Airlines	April	.651	89.63	-29.20	N/A	N/A
CONTAINER LESSORS	Flexi-Van	July.	1.02	53.87	21.43	14.7	9.4
		April	1.17	59.59	21.43	12.0	9.0.
	Gelco	July.	N/A	98.04	13.09	1.4	6.3
		April	N/A	98.03	13.09	1.0	5.5
	Xtra, Inc.	July.	1.88	61.41	19.35	10.5	10.0
		April	2.22	63.05	19.35	10.0	13.7
COMMON CARRIERS	Butler Int'l	July.	1.81	15.45	.21	1.8	8.0
		April	1.51	27.02	5.21	1.0	N/A
	Carolina Freight	July.	1.12	28.20	12.10	2.5	17.3
	Corp.	April	1.10	37.95	1.10	2.0	16.8
	Consolidated	July.	1.38	1.0	74.45	4.3	13.5
	Freightways	April	1.46	10.51	74.45	4.0	13.5
	I U International	July.	1.44	55.08	7.90	-.4	2.3
		April	1.45	49.73	7.90	2.0	N/A
	Leaseway	July.	.67	61.51	30.48	2.1	19.9
	Transport	April	.79	53.02	30.40	2.0	14.0
	Overnight	July.	2.04	.79	33.94	8.1	18.7
	Transportation	April	2.34	.95	33.94	8.0	18.7
	Roadway Services	July.	1.91	0.0	100.01	6.3	17.3
		April	2.0	0.0	100.01	6.0	17.3
	Ryder System	July.	1.03	62.99	135.92	5.3	17.7
		April	1.05	64.61	135.92	5.0	15.3
	Transcon, Inc.	July.	1.67	38.58	5.37	1.5	11.9
		April	1.69	45.11	5.37	1.0	N/A
	Yellow Freight	July.	.83	22.92	44.10	3.2	15.7
	System	April	.78	14.52	44.10	3.0	15.8
RAILROADS	Burlington	July.	.99	37.86	578.95	6.5	14.6
	Northern	April	.99	37.86	578.95	6.0	12.5
	Canadian Pacific	July.	1.20	100.00	376.90	2.7	8.4
		April	12.6	100.00	143.59	1.0	8.5
	CSX Corp.	July.	1.12	32.95	464.98	5.6	9.5
		April	1.12	32.02	464.98	5.0	9.5
	Kansas City	July.	1.36	30.23	49.08	12.2	11.7
	Southern	April	1.07	28.41	49.08	9.0	10.7
	Norfolk Southern	July.	2.04	15.45	482.21	13.7	10.8
	Corp.	April	2.14	16.63	482.21	13.0	10.8
	Santa Fe	July.	1.41	22.05	190.80	6.8	8.5
	Southern Pac	April	1.47	22.43	490.80	7.0	8.4
	Union Pacific	July.	1.06	32.61	494.08	6.5	11.7
		April	1.05	31.43	494.08	6.0	10.7
AIR CARRIERS AND FORWARDERS	Airborne Freight	July.	1.37	38.77	10.83	2.3	14.1
		April	1.33	27.43	10.83	2.0	14.1
	Air Express Int'l	July.	1.14	56.42	.18	-.8	3.1
		April	1.14	60.61	.01	N/A	N/A
	Emery Air Freight	July.	1.59	31.58	31.89	3.2	19.0
		April	1.66	31.60	31.89	3.0	19.0
	Federal Express	July.	1.34	45.06	115.41	3.4	16.1
		April	1.34	45.06	115.41	8.0	16.0
	Profit Freight	July.	1.34	4.51	2.82	1.3	29.8
	Systems	April	1.39	5.69	2.82	2.0	N/A
	Purolator	July.	1.86	40.85	15.52	.9	8.5
		April	.93	18.66	15.52	1.0	7.2
	Tiger	July.	9.3	100.00	-88.93	-7.5	N/A
	International	April	3.34	94.23	-88.93	N/A	N/A
	Transway	July.	2.05	26.24	23.27	2.6	12.4
	International	April	2.08	27.0	23.27	2.0	12.2

*Current ratio equals current assest/current liability.